

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

The Application Of Kentucky Power Company
To Amend Its Demand-Side Management)
Program And For Authority To Implement A)
Tariff To Recover Costs And Net Lost) Case No. 2012-00367
Revenues, And To Receive Incentives
Associated With The Implementation)
Of The Programs)

**Motion For Leave To Deviate From Scheduling Requirement
Of Commission's February 22, 2013 Order**

Pursuant to 807 KAR 5:001, Section 5, Kentucky Power Company moves the Public Service Commission of Kentucky for an Order granting the Company leave to file on or before December 20, 2013 an application to implement expand certain existing demand-side management programs. In support thereof, the Company states:

Background

1. In its February 22, 2013 Order in this case ("DSM Scheduling Order"), the Commission established a schedule for the Company's future demand-side-management and energy efficiency program ("DSM") filings:

9. In a year when there are DSM program evaluations or proposed expanded or new programs filed with the Commission, Kentucky Power shall file an application by August 15 that includes the follow: ... (2) an actual fiscal year based on July 1 to June 30, along with a projected fiscal year, in a manner similarly filed in current Exhibit C, for the recovery of program costs, lost revenues, and incentives, that used in determining the

true-up of proposed DSM factor(s); (3) all program evaluations or/and proposed expanded or new programs.¹

2. Under the terms of the July 2, 2103 Stipulation and Settlement Agreement among Kentucky Power, Kentucky Industrial Utility Customers, Inc., and Sierra Club (“Stipulation”) in Case No. 2012-00578, the Company is required “to increase its aggregate annual spending on cost-effective DSM and energy efficiency measures through Commission-approved DSM programs to \$4 million in 2014”²

3. In its October 7, 2013 Order in Case No. 2012-00578, the Commission approved, with four modifications accepted by the Company, the July 2, 2013 Stipulation.³ On October 30, 2013, the Attorney General filed his petition for rehearing of the Approval Order.⁴ That petition remains pending before the Commission.

4. For 2014, the Stipulation will require an approximate 33% increase in the Company’s annual DSM spending over 2013 levels.

¹ Order, *In the Matter Of: Application Of Kentucky Power Company To Amend Its Demand-Side Management Program And For Authority To Implement A Tariff To Recover Costs And Net Lost Revenues, And To Received Incentives Associated With The Implementation Of The Programs*, Case No. 2012-00367 (Ky. P.S.C. February 22, 2013).

² See, Order, *In the Matter of: The Application of Kentucky Power Company For: (1) A Certificate of Public Convenience And Necessity Authorizing The Transfer To the Company Of A Fifty Percent Undivided Interest In The Mitchell Generating Station And Associated Assets; (2) Approval Of The Assumption By Kentucky Power Company Of Certain Liabilities In Connection With The Transfer Of The Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred In Connection With The Company’s Efforts To Meet Federal Clean Air Act And Related Requirements; And (5) For All Other Required Approvals And Relief*, Case No. 2012-00578 at Appendix A, ¶ 12 (Ky. P.S.C. October 7, 2013) (“Approval Order”).

³ Approval Order at 43.

⁴ Attorney General’s Petition For Rehearing, *In the Matter of: The Application of Kentucky Power Company For: (1) A Certificate of Public Convenience And Necessity Authorizing The Transfer To the Company Of A Fifty Percent Undivided Interest In The Mitchell Generating Station And Associated Assets; (2) Approval Of The Assumption By Kentucky Power Company Of Certain Liabilities In Connection With The Transfer Of The Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred In Connection With The Company’s Efforts To Meet Federal Clean Air Act And Related Requirements; And (5) For All Other Required Approvals And Relief*, Case No. 2012-00578 (Ky. P.S.C. October 7, 2013)

5. To meet the Stipulation requirement that the Company increase its annual cost-effective DSM expenditures in 2014, the Company intends to seek approval to expand existing DSM programs.

6. Under the terms of the Commission's DSM Scheduling Order the Company was required to file its application with respect to the expanded programs on or before August 15, 2015; that is, it was required to file the application and other required information prior to the Commission's approval of the Stipulation giving rise to the expanded programs.

7. The Company began examining cost-effective DSM measures to expand or to add to its portfolio during 2014 prior to the October 7, 2013 Approval Order. Kentucky Power nevertheless was unable to begin its full analysis and development of the new or expanded programs until after the Approval Order.

8. Kentucky Power anticipates filing its application for approval of the expansion of certain DSM programs, along with the other information required under ordering paragraph 9 of the Commission's DSM Scheduling Order, on or before December 20, 2013 to ensure the expanded programs are in place as early as practicable to enable it to meet the increased spending required under paragraph 12 of the Stipulation.

Motion To Deviate

9. Although the timing of the October 7, 2013 Approval Order was beyond the control of the Commission and the Company, its entry after August 15, 2013 made it impracticable for the Company to meet the filing requirement of ordering paragraph 9 of the DSM Scheduling Order. Such impracticability constitutes good cause for the requested deviation from August 15, 2013 filing deadline under the DSM Scheduling Order.

10. The Company proposes that, for purposes only of the Company's anticipated December 2013 DSM filing, ordering paragraph 9 of the DSM Scheduling Order be modified as follows:

(a). The Company shall file the application required under ordering paragraph 9 of the DSM Scheduling Order on or before December 20, 2013. The application shall include the information described in order paragraph 9 of the DSM Scheduling Order, except that, consistent with ordering paragraph 8 of the DSM Scheduling Order,⁵ no program evaluations shall be included;

(b) The information required by current Exhibit C and included in the application shall be based on a fiscal year ending June 30, 2013 and a projected fiscal year ending June 30, 2014; and

(c) The proposed DSM factors shall be effective for the first billing cycle of a 2014 revenue month no later than the March 2014 revenue month.

⁵ Ordering paragraph 9 of the DSM Scheduling Order provides that "[a]ll of Kentucky Power's DSM programs should be evaluated at the same time and in the same application by August 15, 2014."

Wherefore, Kentucky Power Company respectfully requests that the Commission enter an Order:

(a) Granting the Company leave to deviate from the August 15, 2013 filing deadline of the DSM Scheduling Order;

(b) Modifying for purposes only of the Company's anticipated December 2013 DSM application to be filed in compliance with the Stipulation approved by the Commission in Case No. 2012-00578, ordering paragraph 9 of the DSM Scheduling Order as follows:

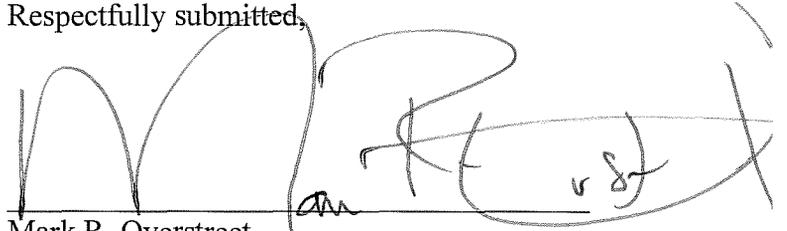
(i) The Company shall file the application required under ordering paragraph 9 of the DSM Scheduling Order on or before December 20, 2013. The application shall include the information described in ordering paragraph 9 of the DSM Scheduling Order, except that, consistent with ordering paragraph 8 of the DSM Scheduling Order, no program evaluations shall be included;

(ii) The information required by current Exhibit C and included in the application shall be based on a fiscal year ending June 30, 2013 and a projected fiscal year ending June 30, 2014; and

(iii) The proposed DSM factors shall be effective for the first billing cycle of a 2014 revenue month no later than the March 2014 revenue month; and

(c) Granting the Company all other relief to which it may appear entitled.

Respectfully submitted,



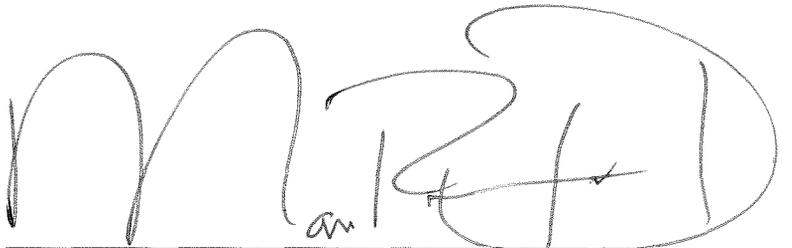
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COUNSEL FOR KENTUCKY POWER
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by United States First Class Mail, postage prepaid, on this 8th day of November, 2013 upon:

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